REMARKS

In the Office Action mailed May 2, 2002, the Examiner rejected claims 1-44 in a non-final action. Applicant draws the Examiner's attention to the following remarks in response to the Detailed Action:

I. **Correction of Typographical Errors in the Claims**

The amendment offered as to claim 39 is offered solely to correct typographical errors in the original claims. It is believed that the substance and scope of the claims are not changed thereby.

II. **Anticipation Rejection—Claims 1 and 39**

The Examiner rejected claims 1 and 39 as anticipated and therefore unpatentable under 35 U.S.C. § 102(a). Pursuant to 35 U.S.C. § 102, "A person shall be entitled to a patent unless – (a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent."

Applicant respectfully traverses the rejections. "A rejection based on 35 U.S.C. 102(a) can be overcome by: (A) Persuasively arguing that the claims are patentably distinguished from the prior art; . . . (C) Filing an affidavit or declaration under 37 CFR 1.131. . . ." MPEP 706.02(b). "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." MPEP 2131 *quoting Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Accordingly, claims 1 and 39 will be patentably distinct from the prior art cited if the prior art is missing any element claimed by Applicant.

A. **Claim 1**

The Examiner rejected claim 1 in light of Ausubel, et al. (Vickery Auctions with Reserve Pricing, June 28, 1999) under § 102(a). Applicant respectfully asserts that the § 102(a) rejection

is not appropriate because the claim is patentably distinct from the cited reference. Applicant also presents a 37 CFR 1.131 declaration demonstrating prior invention of the claimed invention.

1. The Claim is Patentably Distinct

Claim 1 claims a method, *inter alia*, "to maximize revenue *and profit* to the seller" (emphasis added). Thus, the element recited is to maximize *both* revenue and profit. This element is omitted from the cited Ausubel reference.

Specifically, the Examiner refers to page 1, paragraph 1 of Ausubel in posing the rejection. That paragraph states, in pertinent part, "the seller can improve revenues or mitigate collusion" and "the Vickery auction with reserve pricing maximizes seller revenues." As cited, the Ausubel reference does not speak to profit at all. In fact, the word "profit" appears nowhere in the first paragraph cited by the Examiner. As would be clear to those skilled in the art, the maximization of profit and revenues is quite distinct from the maximization of only revenues or only profit. Moreover, Ausubel does not infer or suggest maximization of the additional, distinct, profit element.

Accordingly, the Ausubel reference completely omits the "revenue and profit" element claimed in claim 1. Claim 1 is patentably distinct from Ausubel. Applicant respectfully submits that withdrawal of the §102(a) rejection as to claim 1 is appropriate and that the claim should pass to issue.

2. Applicant Invented Prior to the Ausubel Reference

Applicant respectfully submits for consideration the attached Exhibit "A", the declaration of inventor Stuart C. Maudlin, under 37 CFR 1.131.

The Ausubel reference cited by the Examiner with respect to claim 1 is dated June 28, 1999. Maudlin, in his declaration, establishes his invention date at not later than December 3, 1998, approximately 6 months prior to the Ausubel reference. *See* Declaration of Maudlin.

As Applicant swears behind the Ausubel reference, the rejection under 35 U.S.C. § 102(a) is no longer appropriate as to claim 1. Applicant respectfully requests the rejection withdrawn and the claim passed to issue.

B. **Claim 39**

The Examiner rejected claim 39 as anticipated and therefore unpatentable under 35 U.S.C. § 102(a) in light of U.S. Patent No. 6,026,383 to Ausubel.

1. The Claim is Patentably Distinct

Claim 39 is a method claim comprising several elements, one of which is "determining from the submitted bids a sales price to reach the maximum *profit*" (emphasis added). Those skilled in the art are well aware that profit is the excess of the selling price over the expense of goods. Accordingly, it follows that in order to determine something based on profit, one must know (or at least somehow consider) the cost of the goods.

The Examiner cites to col. 7, ll. 25-45 as providing the step of "determining from the submitted bids a sales price to reach the maximum profit." However, the '383 Patent omits any reference to profit or cost of goods. In fact, the paragraph cited by the Examiner focuses exclusively on the sum of the objects offered and the sum of the objects bid upon. There is no indication in the cited section that the '383 Patent even considers price of the goods, no less profit. Accordingly, this element is missing from the '383 Patent and claim 39 is not anticipated thereby.

Moreover, claim 39 (as amended to correct typographical errors) contains this further limitation: "selling items to the buyers who offered a bid price which is equal to or higher than the determined sales price, wherein the items are sold to said buyers for the same sales price." The Examiner highlights col. 7, ll. 40-43 of the '383 Patent as embodying this element. However, the referenced section of the '383 Patent is quite different from the claim limitation.

The '383 Patent states at the cited section that "[i]f the sum of the quantities demanded by all bidders is less than the current number of available objects, then each bidder is assigned the demanded quantity at the current price." The determination made in the '383 Patent is made on the basis of the number of articles demanded, not by the price which is determined to yield the maximum profit. Moreover, the portion of the '383 Patent highlighted by the Examiner speaks to only the situation in which the total items for sale is greater than the bids received. The claim makes no such differentiation at all. Finally, the claimed element claims a step of selling to,

potentially, less than all of the bidders. Except in the instance when the profit-maximizing price is the lowest bid, the method step claimed will sell to less than all of the bidders. In the language cited from the '383 Patent, all of the bids are filled, automatically. Accordingly, this element is missing from the '383 Patent.

The '383 Patent lacks two elements claimed in claim 39. First, it lacks the element of determining a sales price based upon maximization of profit. Second, it lacks the allocation of sales step at the end of claim 39. Accordingly, Applicant respectfully requests that the rejection under § 102(a) be withdrawn and that the claim be passed to issue.

2. Applicant Invented Prior to the '383 Patent Reference

Applicant respectfully submits for consideration the attached Exhibit "A", the declaration of inventor Stuart C. Maudlin, under 37 CFR 1.131.

The '383 Patent reference cited by the Examiner with respect to claim 39 is dated February 15, 2000. Maudlin, without his declaration and on the basis of his patent filing is entitled to a presumed invention date of his filing date, November 29, 1999. As this date predates the reference cited by the Examiner, Applicant respectfully submits that the reference is not properly cited against the Application under 35 U.S.C. § 102(a).

Applicant also submits his declaration, establishes his invention date at not later than December 3, 1998, also well prior to the '383 Patent reference. *See* Declaration of Maudlin.

Applicant respectfully requests the rejection withdrawn and the claim passed to issue.

III. ***Prima Facie* Rejection—Claims 2-38, 40-44**

The Examiner rejected claims 2-38 and 40-44 as obvious and therefore unpatentable under 35 U.S.C. § 103(a). Applicant respectfully asserts that the Examiner has not demonstrated a *prima facie* rejection and requests withdrawal of the rejection.

A. **Standards for *Prima Facie* Rejection**

The Applicant respectfully draws to the Examiner's attention the case of *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992), which recognizes that "the examiner bears the

initial burden, on review of the prior art or on any other ground, of presenting a *prima facie* case of unpatentability." 977 F.2d at 1444, 24 USPQ2d at 1444, *citing In re Piasecki*, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984). "If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent." *Id., citing In re Grabiak*, 769 F.2d 729, 733, 226 USPQ 870, 873 (Fed. Cir. 1985); *In re Rinehart*, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976).

A rejection based on 35 U.S.C. § 103(a) must establish three basic criteria in order to establish a *prima facie* case of obviousness. "First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art to modify the reference or combined referenced teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations." MPEP § 706.02(j); *see also* § 2142. Specifically, since "invention itself is the process of combining prior art in a non-obvious manner," to establish obviousness the "Examiner must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed." *In re Rouffet*, 47 USPQ2d 1453, 1458 (Fed. Cir. 1998). For their analysis, Examiners are forbidden from "the use of hind-sight in the selection of references that comprise the case of obviousness." *Id.*

B. **Claims 2-38 – Ausubel and The '383 Patent**

The Examiner rejected claims 2-38 as unpatentable over Ausubel in view of the '383 Patent. Applicant respectfully submits that the Examiner has not made a *prima facie* case of obviousness as to these claims.

1. No Suggestion to Combine Elements

As to each of the claims 2-38, there is no suggestion in the art to combine the references of Ausubel and the '383 Patent. The Examiner cites to the '383 Patent at col. 3, ll. 33-35 as providing such a suggestion. However, Applicant respectfully observes that the lines cited do not speak to providing computerization to other types of auction models. Rather, the lines

referenced speak only to the presented model of auction. There is no suggestion present to use the computer system disclosed in the '383 Patent with other auction models; in fact, with the programming described in the '383 Patent, the computer would not work for other auction models. To the extent that the Examiner relies upon personal knowledge of the art to determine obviousness, an affidavit is respectfully requested. *See* MPEP § 2144.03. Applicant therefore respectfully submits that a *prima facie* case of obviousness has not been made as to claims 2-38 and respectfully requests withdrawal of the rejection.

2. All of The Elements of The Claims Are Not In the Prior Art

Each of claims 2-38 depend, directly or indirectly, from claim 1. All of the elements of claim 1 are not found in the prior art. *See* above at II.A.1. Additionally, the Examiner highlights no portions of the '383 Patent which provide the omitted profit and revenue maximization element. Therefore, a *prima facie* case of obviousness has not been made by the Examiner, and Applicant respectfully requests withdrawal of the rejection.

As to claim 2, the Applicant respectfully calls to the Examiner's attention several additional elements which are missing from the prior art as noted in the detailed action. One such element of claim 2 is "establishing a system for . . . calculating an optimum selling price." This element is omitted from Ausubel and the '383 Patent. The Examiner cites to the '383 Patent at col. 2, ll. 61-67 as disclosing this element. However, the cited paragraph does not discuss optimum prices or their determination. As previously noted, the '383 Patent as cited does not discuss the determination of an optimum price, but rather discusses the distribution of quantities of items based upon the bids received. The lack of an optimum selling price reference in the '383 Patent further means that the element of "selecting the winning bids . . . based upon the calculated optimum selling price" is also lacking. The lacking elements in the prior art indicate a *prima facie* case of obviousness has not been made as to claim 2, and it is appropriate that the rejection be withdrawn.

As to claim 3, Applicant respectfully calls the Examiner's attention to the element of "determining . . . whether at market bids will be accepted." The Examiner cites to the '383 Patent at col. 9, ll. 12-13 and 37 as providing disclosure of this element. However, none of these

portions of the '383 Patent disclose or suggest the idea of a bid that has no price associated with it. The '383 Patent assumes that each bid has a price associated with it, as it nominates that price the "high bid". *See* col. 9, l. 13. Applicant, however, discloses and claims a concept of a market-clearing bid called an "at market" bid. *See* Application, p. 12, ll. 6-9. Such a bid has an unspecified price and merely symbolizes that the bidder will pay the winning price as to a certain number of items. *See id.* This at market bid is not disclosed or suggested in the '383 Patent.

Moreover, as to claim 3, the Examiner has not addressed the element of "determining. . . whether a prorationing scheme should be used, and if so, what it is." Applicant further incorporates by reference his response as to claim 2, as claim 3 depends from claim 2, and the elements observed missing as to claim 2 are also missing as to claim 3. As all of these elements and the element relating to the at market bids are both missing, a *prima facie* case of obviousness has not been presented by the Examiner. Applicant respectfully requests that the objection to claim 3 be withdrawn.

Claim 4 depends from claim 2. Applicant therefore incorporates by reference his response as to claim 2. The elements observed missing as to claim 2 are also missing as to claim 4. Accordingly, Applicant respectfully suggests a *prima facie* case of obviousness has not been made as to claim 4.

The Examiner cites to the '383 Patent at col. 9, ll. 57-59 for the element of "consolidating all at market bids" as claimed in claim 5. As previously discussed with reference to claim 3, the concept of at market bidding is omitted from the '383 Patent, and particularly from the referenced section. Further, claim 5 depends from claim 2. Applicant incorporates by reference his observation of the elements missing from claim 2 as found in the prior art. Due to the elements claimed in claim 5 that do not exist in the prior art, a *prima facie* case of obviousness does not exist and the rejection is respectfully requested withdrawn.

Claim 6 depends from claim 3. Applicant therefore incorporates by reference his response as to claim 3. The elements observed missing as to claim 2 are also missing as to claim 6. Accordingly, Applicant respectfully suggests a *prima facie* case of obviousness has not been made as to claim 6.

The Examiner cites to the '383 Patent at col. 9, ll. 57-59 for the element of "consolidating all at market bids" as claimed in claim 7. As previously discussed with reference to claim 3, the concept of at market bidding is omitted from the '383 Patent, and particularly from the referenced section. Further, claim 7 depends from claim 3. Applicant incorporates by reference his observation of the elements missing from claim 3 as found in the prior art. Due to the elements claimed in claim 7 that do not exist in the prior art, a *prima facie* case of obviousness does not exist and the rejection is respectfully requested withdrawn.

The Examiner cites to the '383 Patent at col. 9, ll. 57-59 for the element of "consolidating all at market bids" as claimed in claim 8. As previously discussed with reference to claim 3, the concept of at market bidding is omitted from the '383 Patent, and particularly from the referenced section. Further, claim 8 depends from claim 4. Applicant incorporates by reference his observation of the elements missing from claim 4 as found in the prior art. Due to the elements claimed in claim 8 that do not exist in the prior art, a *prima facie* case of obviousness does not exist and the rejection is respectfully requested withdrawn.

The Examiner cites to the '383 Patent at col. 9, ll. 57-59 for the element of "consolidating all at market bids" as claimed in claim 9. As previously discussed with reference to claim 3, the concept of at market bidding is omitted from the '383 Patent, and particularly from the referenced section. Further, claim 9 depends from claim 6. Applicant incorporates by reference his observation of the elements missing from claim 6 as found in the prior art. Due to the elements claimed in claim 9 that do not exist in the prior art, a *prima facie* case of obviousness does not exist and the rejection is respectfully requested withdrawn.

Claim 10 depends from claim 2. Applicant therefore incorporates by reference his response as to claim 2. The elements observed missing as to claim 2 are also missing as to claim 10. Accordingly, Applicant respectfully suggests a *prima facie* case of obviousness has not been made as to claim 10.

Claim 11 depends from claim 3. Applicant therefore incorporates by reference his response as to claim 3. The elements observed missing as to claim 3 are also missing as to claim

11. Accordingly, Applicant respectfully suggests a *prima facie* case of obviousness has not been made as to claim 11.

Claim 12 depends from claim 4. Applicant therefore incorporates by reference his response as to claim 4. The elements observed missing as to claim 2 are also missing as to claim 12. Accordingly, Applicant respectfully suggests a *prima facie* case of obviousness has not been made as to claim 12.

Claim 13 depends from claim 5. Applicant therefore incorporates by reference his response as to claim 5. The elements observed missing as to claim 5 are also missing as to claim 13. Accordingly, Applicant respectfully suggests a *prima facie* case of obviousness has not been made as to claim 13.

Claim 14 depends from claim 6. Applicant therefore incorporates by reference his response as to claim 6. The elements observed missing as to claim 6 are also missing as to claim 14. Accordingly, Applicant respectfully suggests a *prima facie* case of obviousness has not been made as to claim 14.

Claim 15 depends from claim 7. Applicant therefore incorporates by reference his response as to claim 7. The elements observed missing as to claim 7 are also missing as to claim 15. Accordingly, Applicant respectfully suggests a *prima facie* case of obviousness has not been made as to claim 15.

Claim 16 depends from claim 8. Applicant therefore incorporates by reference his response as to claim 8. The elements observed missing as to claim 8 are also missing as to claim 16. Accordingly, Applicant respectfully suggests a *prima facie* case of obviousness has not been made as to claim 8.

Claim 17 depends from claim 9. Applicant therefore incorporates by reference his response as to claim 9. The elements observed missing as to claim 9 are also missing as to claim 17. Accordingly, Applicant respectfully suggests a *prima facie* case of obviousness has not been made as to claim 17.

As to claim 18, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such

reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 18 is not present in the prior art as cited by the Examiner. Additionally, claim 18 depends from claim 3. Applicant incorporates the omitted elements previously observed as to claim 3 herein by reference, as each of those elements are also missing from claim 18. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 19, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 19 is not present in the prior art as cited by the Examiner. Additionally, claim 19 depends from claim 4. Applicant incorporates the omitted elements previously observed as to claim 4 herein by reference, as each of those elements are also missing from claim 19. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 20, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 20 is not present in the prior art as cited by the Examiner. Additionally, claim 20 depends from claim 5. Applicant incorporates the omitted elements previously observed as to claim 5 herein by reference, as each of those elements are also missing from claim 20. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 21, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any

consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 21 is not present in the prior art as cited by the Examiner. Additionally, claim 21 depends from claim 6. Applicant incorporates the omitted elements previously observed as to claim 6 herein by reference, as each of those elements are also missing from claim 21. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 22, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 22 is not present in the prior art as cited by the Examiner. Additionally, claim 22 depends from claim 7. Applicant incorporates the omitted elements previously observed as to claim 7 herein by reference, as each of those elements are also missing from claim 22. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 23, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 23 is not present in the prior art as cited by the Examiner. Additionally, claim 23 depends from claim 8. Applicant incorporates the omitted elements previously observed as to claim 8 herein by reference, as each of those elements are also missing from claim 23. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 24, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in

claim 24 is not present in the prior art as cited by the Examiner. Additionally, claim 24 depends from claim 9. Applicant incorporates the omitted elements previously observed as to claim 9 herein by reference, as each of those elements are also missing from claim 24. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 25, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 25 is not present in the prior art as cited by the Examiner. Additionally, claim 25 depends from claim 10. Applicant incorporates the omitted elements previously observed as to claim 10 herein by reference, as each of those elements are also missing from claim 25. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 26, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 26 is not present in the prior art as cited by the Examiner. Additionally, claim 26 depends from claim 11. Applicant incorporates the omitted elements previously observed as to claim 11 herein by reference, as each of those elements are also missing from claim 26. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 27, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 27 is not present in the prior art as cited by the Examiner. Additionally, claim 27 depends

from claim 12. Applicant incorporates the omitted elements previously observed as to claim 12 herein by reference, as each of those elements are also missing from claim 27. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 28, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 28 is not present in the prior art as cited by the Examiner. Additionally, claim 28 depends from claim 13. Applicant incorporates the omitted elements previously observed as to claim 13 herein by reference, as each of those elements are also missing from claim 28. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 29, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 29 is not present in the prior art as cited by the Examiner. Additionally, claim 29 depends from claim 14. Applicant incorporates the omitted elements previously observed as to claim 14 herein by reference, as each of those elements are also missing from claim 29. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 30, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 30 is not present in the prior art as cited by the Examiner. Additionally, claim 30 depends from claim 15. Applicant incorporates the omitted elements previously observed as to claim 15

herein by reference, as each of those elements are also missing from claim 30. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 31, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 31 is not present in the prior art as cited by the Examiner. Additionally, claim 31 depends from claim 16. Applicant incorporates the omitted elements previously observed as to claim 16 herein by reference, as each of those elements are also missing from claim 31. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 32, the Examiner states without citation the Ausubel demonstrates the step of optimizing for seller profit rather than revenue. However, Applicant is unable to find any such reference in Ausubel. Ausubel does speak to revenue, but does not speak to profit or to any consideration of the cost of goods. Accordingly, the presentation of the element claimed in claim 32 is not present in the prior art as cited by the Examiner. Additionally, claim 32 depends from claim 17. Applicant incorporates the omitted elements previously observed as to claim 17 herein by reference, as each of those elements are also missing from claim 32. Applicant respectfully suggests that a *prima facie* case of obviousness has not been made as to this claim and requests that the rejection be withdrawn.

As to claim 33, Applicant respectfully calls the Examiner's attention to the element of "processing bids made at market." The Examiner cites to the '383 Patent at col. 9, ll. 37-48 as providing disclosure of this element. However, none of these portions of the '383 Patent disclose or suggest the idea of a bid that has no price associated with it. The '383 Patent assumes that each bid has a price associated with it, as it nominates that price the "high bid". *See* col. 9, l. 13. Applicant, however, discloses and claims a concept of a market-clearing bid called an "at market" bid. *See* Application, p. 12, ll. 6-9. Such a bid has an unspecified price and merely

symbolizes that the bidder will pay the winning price as to a certain number of items. *See id.* This at market bid is not disclosed or suggested in the '383 Patent. Additionally, claim 33 depends from claim 8. Applicant therefore includes by reference the missing elements observed as to claim 8, as they are also missing from claim 33. As all of these elements and the element relating to the at market bids are both missing, a *prima facie* case of obviousness has not been presented by the Examiner. Applicant respectfully requests that the objection to claim 33 be withdrawn.

As to claim 34, Applicant respectfully calls the Examiner's attention to the element of "processing bids made at market." The Examiner cites to the '383 Patent at col. 9, ll. 37-48 as providing disclosure of this element. However, none of these portions of the '383 Patent disclose or suggest the idea of a bid that has no price associated with it. The '383 Patent assumes that each bid has a price associated with it, as it nominates that price the "high bid". *See* col. 9, l. 13. Applicant, however, discloses and claims a concept of a market-clearing bid called an "at market" bid. *See* Application, p. 12, ll. 6-9. Such a bid has an unspecified price and merely symbolizes that the bidder will pay the winning price as to a certain number of items. *See id.* This at market bid is not disclosed or suggested in the '383 Patent. Additionally, claim 34 depends from claim 16. Applicant therefore includes by reference the missing elements observed as to claim 16, as they are also missing from claim 34. As all of these elements and the element relating to the at market bids are both missing, a *prima facie* case of obviousness has not been presented by the Examiner. Applicant respectfully requests that the objection to claim 34 be withdrawn.

As to claim 35, Applicant respectfully calls the Examiner's attention to the element of "processing bids made at market." The Examiner cites to the '383 Patent at col. 9, ll. 37-48 as providing disclosure of this element. However, none of these portions of the '383 Patent disclose or suggest the idea of a bid that has no price associated with it. The '383 Patent assumes that each bid has a price associated with it, as it nominates that price the "high bid". *See* col. 9, l. 13. Applicant, however, discloses and claims a concept of a market-clearing bid called an "at market" bid. *See* Application, p. 12, ll. 6-9. Such a bid has an unspecified price and merely

symbolizes that the bidder will pay the winning price as to a certain number of items. *See id.* This at market bid is not disclosed or suggested in the '383 Patent. Additionally, claim 35 depends from claim 23. Applicant therefore includes by reference the missing elements observed as to claim 23, as they are also missing from claim 35. As all of these elements and the element relating to the at market bids are both missing, a *prima facie* case of obviousness has not been presented by the Examiner. Applicant respectfully requests that the objection to claim 35 be withdrawn.

As to claim 36, Applicant respectfully calls the Examiner's attention to the element of "processing bids made at market." The Examiner cites to the '383 Patent at col. 9, ll. 37-48 as providing disclosure of this element. However, none of these portions of the '383 Patent disclose or suggest the idea of a bid that has no price associated with it. The '383 Patent assumes that each bid has a price associated with it, as it nominates that price the "high bid". *See* col. 9, l. 13. Applicant, however, discloses and claims a concept of a market-clearing bid called an "at market" bid. *See* Application, p. 12, ll. 6-9. Such a bid has an unspecified price and merely symbolizes that the bidder will pay the winning price as to a certain number of items. *See id.* This at market bid is not disclosed or suggested in the '383 Patent.

Also as to claim 36, claimed is the element "applying the selected prorationing scheme." The Examiner cites to the '383 Patent at col. 7, ll. 40-46, which refer to a proportionate assignment rule, not a protationing scheme. As the text of claim 36 makes clear, the prorationing scheme is applied when there are not sufficient items available to fill demand. The proportionate assignments rule described in the '383 Patent is different in that it applies only when there are more items available than there is demand. Accordingly, the prorationing scheme element is missing from the prior art. Additionally, claim 36 depends from claim 33. Applicant therefore includes by reference the missing elements observed as to claim 33, as they are also missing from claim 36. As all of these elements and the element relating to the at market bids are both missing, a *prima facie* case of obviousness has not been presented by the Examiner. Applicant respectfully requests that the objection to claim 36 be withdrawn.

As to claim 37, Applicant respectfully calls the Examiner's attention to the element of "processing bids made at market." The Examiner cites to the '383 Patent at col. 9, ll. 37-48 as providing disclosure of this element. However, none of these portions of the '383 Patent disclose or suggest the idea of a bid that has no price associated with it. The '383 Patent assumes that each bid has a price associated with it, as it nominates that price the "high bid". *See* col. 9, l. 13. Applicant, however, discloses and claims a concept of a market-clearing bid called an "at market" bid. *See* Application, p. 12, ll. 6-9. Such a bid has an unspecified price and merely symbolizes that the bidder will pay the winning price as to a certain number of items. *See id.* This at market bid is not disclosed or suggested in the '383 Patent.

Also as to claim 37, claimed is the element "applying the selected prorationing scheme." The Examiner cites to the '383 Patent at col. 7, ll. 40-46, which refer to a proportionate assignment rule, not a protationing scheme. As the text of claim 37 makes clear, the prorationing scheme is applied when there are not sufficient items available to fill demand. The proportionate assignments rule described in the '383 Patent is different in that it applies only when there are more items available than there is demand. Accordingly, the prorationing scheme element is missing from the prior art. Additionally, claim 37 depends from claim 34. Applicant therefore includes by reference the missing elements observed as to claim 34, as they are also missing from claim 37. As all of these elements and the element relating to the at market bids are both missing, a *prima facie* case of obviousness has not been presented by the Examiner. Applicant respectfully requests that the objection to claim 37 be withdrawn.

As to claim 38, Applicant respectfully calls the Examiner's attention to the element of "processing bids made at market." The Examiner cites to the '383 Patent at col. 9, ll. 37-48 as providing disclosure of this element. However, none of these portions of the '383 Patent disclose or suggest the idea of a bid that has no price associated with it. The '383 Patent assumes that each bid has a price associated with it, as it nominates that price the "high bid". *See* col. 9, l. 13. Applicant, however, discloses and claims a concept of a market-clearing bid called an "at market" bid. *See* Application, p. 12, ll. 6-9. Such a bid has an unspecified price and merely

symbolizes that the bidder will pay the winning price as to a certain number of items. *See id.* This at market bid is not disclosed or suggested in the '383 Patent.

Also as to claim 38, claimed is the element "applying the selected prorationing scheme." The Examiner cites to the '383 Patent at col. 7, ll. 40-46, which refer to a proportionate assignment rule, not a protationing scheme. As the text of claim 38 makes clear, the prorationing scheme is applied when there are not sufficient items available to fill demand. The proportionate assignments rule described in the '383 Patent is different in that it applies only when there are more items available than there is demand. Accordingly, the prorationing scheme element is missing from the prior art. Additionally, claim 38 depends from claim 35. Applicant therefore includes by reference the missing elements observed as to claim 35, as they are also missing from claim 38. As all of these elements and the element relating to the at market bids are both missing, a *prima facie* case of obviousness has not been presented by the Examiner. Applicant respectfully requests that the objection to claim 38 be withdrawn.

3. Ausubel is Not Available As Prior Art

Only subject matter that is prior art under 35 U.S.C. § 102 is eligible for consideration as prior art in the context of 35 U.S.C. § 103. *See* MPEP 2141.01(I), *citing Ex parte Andresen*, 212 USPQ 100, 102 (Bd. Pat. App. & Inter. 1981). For that reason, an obviousness rejection may be overcome by swearing behind a § 102(a) publication reference.

As shown above in II.A.2, the Ausubel reference is predated by the Applicant's invention. *See* Declaration of Maudlin. Accordingly, it is not available for use in the § 103 context. Applicant respectfully therefore requests withdrawal of the obviousness rejection as to claims 2-38, as the rejection is based in part on a printed publication which is antedated by Applicant's invention.

C. **Claims 40-44 – Ausubel and The '383 Patent**

The Examiner rejected claims 40-44 as unpatentable over Ausubel in view of the '383 Patent. Applicant respectfully submits that the Examiner has not made a *prima facie* case of obviousness as to these claims.

1. No Suggestion to Combine Elements

As to each of the claims 40-44, there is no suggestion in the art to combine the references of Ausubel and the '383 Patent. The Examiner cites to Ausubel at page 2, paragraph 1 as providing such a suggestion. However, Applicant respectfully observes that the lines cited highlight a problem of Vickery auctions and do not speak to how those problems might be solved. To the extent that the Examiner relies upon personal knowledge of the art to determine obviousness, an affidavit is respectfully requested. *See* MPEP § 2144.03. Applicant therefore respectfully submits that a *prima facie* case of obviousness has not been made as to claims 40-44 and respectfully requests withdrawal of the rejection.

2. All of The Elements of The Claims Are Not In the Prior Art

Each of claims 40-44 depend, directly or indirectly, from claim 39. All of the elements of claim 39 are not found in the prior art. *See* above at II.B.1. Additionally, the Examiner highlights no portions of Aususbel which provide the omitted profit consideration and selling at the claimed selling price elements. Therefore, a *prima facie* case of obviousness has not been made by the Examiner, and Applicant respectfully requests withdrawal of the rejections.

As to claim 41, Applicant respectfully calls the Examiner's attention to the element of "processing bids made at market." The Examiner cites to Ausubel at section 3, pages 5-8 as providing disclosure of this element. However, none of the cited section discloses or suggests the idea of a bid that has no price associated with it. Applicant, however, discloses and claims a concept of a market-clearing bid called an "at market" bid. *See* Application, p. 12, ll. 6-9. Such a bid has an unspecified price and merely symbolizes that the bidder will pay the winning price as to a certain number of items. *See id.* This at market bid is not disclosed or suggested in Ausubel. A *prima facie* case for obviousness is not made, and Applicant respectfully requests withdrawal of the rejection.

As to claims 42 and 43, Applicant includes by reference his response to the rejection of claim 39 at II.B.1, particularly with regard to the omission of the concept of profits from Ausubel. The section cited by the Examiner at section 3, pages 5-8 also does not incorporate any notion of costs or profits. Accordingly, it does not provide the limitations required by these claims. Given the omission of the concepts of cost and profit from the prior art, a *prima facia*

case of obviousness has not been presented. Applicant respectfully requests withdrawal of the rejections.

As to claim 44, it depends from claim 42. Accordingly, Applicant incorporates by reference the elements missing as to claim 42, as they are also missing as to claim 44. Further, Applicant observes that the Examiner cites to the '383 Patent at col. 7, ll. 40-46, which refers to a proportionate assignment rule, not a protationing scheme. As the text of claim 44 makes clear, the prorationing scheme is applied when there are not sufficient items available to fill demand. The proportionate assignments rule described in the '383 Patent is different in that it applies only when there are more items available than there is demand. Accordingly, the prorationing scheme element is missing from the prior art. As all of these elements and the element relating to the at market bids are both missing, a *prima facie* case of obviousness has not been presented by the Examiner. Applicant respectfully requests that the objection to claim 44 be withdrawn.

IV. Conclusion

As a result of the foregoing it is respectfully asserted by the Applicant that all the claims of the Application are in condition for allowance. The references cited by the Examiner do not contain all of the elements of any single claim 1-44. Moreover, there is no suggestion in the art to combine the references cited. No expectation of success can be derived from the references cited. Accordingly, the Examiner has not made a *prima facie* rejection as to claims 2-28 and 40-44. Respectfully, therefore, all claims should be passed to issue.

Applicant invites the Examiner to call applicant's attorney at the below listed number if Examiner believes that such a discussion would be helpful in resolving any remaining problems with the foregoing application.

Respectfully submitted,

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